



## United Arab Bank PJSC

### Proposed Amendment to the Articles of Association

Comparative Table

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Existing Articles	Amendments	Amended Article
	<p><b>Adding new provisions to “Definitions”</b></p>	<p><b>“Non-Executive Member of the Board”</b> means a member of the Board of Directors who does not have any management responsibilities within the Company, and may and may not qualify as an Independent Member of the Board.</p> <p><b>“Independent Member of the Board”</b> means a member of the Board of Directors who has no relationship with the Company or the group of entities which includes an entity (the <b>“First Entity”</b>) and (1) any Controlling shareholder of the First Entity; (2) any subsidiary of the First Entity or of any Controlling shareholder of the First Entity; and (3) any affiliate, joint venture, sister company and other member of the group, where such relationship could lead to benefit which may affect the Board member’s decisions. The Board member must not be under any other undue influence, internal or external, ownership or control, which would impede the Board member’s exercise of objective judgment. The</p>



		<p>Independent Member of the Board forfeits his/her independence upon the occurrence of any of the events set out under the applicable legislations.</p> <p><b>“Higher Shari`ah Authority”:</b> The Authority referred to in Article (17) of the Federal Law No. (14) of 2018.</p>
<b>Article (4)</b>		<b>Article (4)</b>
The objects for which the Company is established are:		The objects for which the Company is established are:
<p>To carry out for its own account or for the account of third parties all banking and financial transactions permitted under the prevailing laws and the laws in force from time to time without any restrictions or limitations and to transact and deal with all matters in connection therewith or incidental thereto which may be considered to be within the usual activity of commercial banks in accordance with locally and internationally recognized principles, customs and rules. The Company may carry on all acts and transactions necessary for the realization of the said objects without any limitation and in particular:</p>	<p>Adding a paragraph on financial activities in accordance with the principles of Sharia</p>	<p>To carry out for its own account or for the account of third parties all banking and financial transactions permitted under the prevailing laws and the laws in force from time to time without any restrictions or limitations and to transact and deal with all matters in connection therewith or incidental thereto which may be considered to be within the usual activity of commercial banks as permitted under the laws and regulations and in accordance with locally and internationally recognized principles, customs and rules, subject to the Central Bank of the United Arab Emirates licensing and supervision and in accordance with the provisions of the Decretal Federal Law No.14 OF 2018 regarding the Central Bank &amp; Organization of Financial Institutions and Activities</p> <p><b><u>The Company may carry all banking and financial activities in accordance with the provisions of Islamic Shari`ah</u></b></p>



		<p><b><u>whether for its own account or for the account of or in partnership with third parties, provided such activities and businesses are Shari`ah compliant, in a manner commensurable with the license granted by the Central Bank of the United Arab Emirates. In line with applicable laws, regulations and rules.</u></b></p> <p>The Company may carry on all acts and transactions necessary for the realization of the said objects without any limitation in accordance with the applicable Laws &amp; Regulations, and in particular:</p>
<p><b>Amend the numbers of the paragraphs from (4-1 - 4-21) To (4-1-1 – 4-1-21 )</b></p>	<p>Amend the numbering of the paragraphs</p>	<p><b>Amend the numbers of the paragraphs from (4-1 - 4-21) To (4-1-1 – 4-1-21 )</b></p>
	<p>Adding new paragraphs under 4-2-1 to 4-2-5</p>	<p>4-2-1 An independent committee named “Internal Shari`ah Supervision Committee” shall be established within the company. Membership of this committee shall consist of experienced specialists in Islamic financial and banking transactions jurisprudence. The said committee shall undertake Shari`ah supervision of all businesses, activities, products, services, contracts, documents, and conduct of business charters of the concerned institution and shall approve them and establish their respective Shari`ah requirements, within the framework of the rules, principles and standards set by the Higher Shari`ah</p>



		<p>Authority, in order to ensure compliance thereof with Shari`ah. Fatwas or opinions issued by the Committee shall be binding.</p> <p>4-2-2 The Internal Shari`ah Supervision Committee shall be appointed by the general assembly of the company, in accordance with the provisions of the Commercial Companies law. Names of members of the Internal Shari`ah Supervision Committee shall be presented to the Higher Shari`ah Authority for approval, prior to presentation thereof to the general assembly and issuance of decision approving their appointment.</p> <p>4-2-3 Members of the Internal Shari`ah Supervision Committee are prohibited from holding any executive position in the company or provide services to it outside of the scope of the committee's assigned functions, nor hold shares or have for themselves or for any of their relatives up to the second degree, any interests associated with it.</p> <p>4-2-4 In cases where disagreement arises, over a Shari`ah opinion, between members of the Internal Shari`ah Supervision Committee, or disagreement between the Internal Shari`ah Committee and the Board of Directors, over the compliance or non-compliance of a particular matter with the provisions of Shari`ah, the disagreement shall be referred to the Higher Shari`ah Authority, whose opinion on the matter shall be final.</p> <p>4-2-5 The Internal Shari`ah Supervision Committee shall prepare an annual report, in line with applicable laws and regulations, to be presented to the general assembly which carries on all or part of its activities and businesses in accordance with Islamic Shari`ah.</p>
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		4-2-6 To undertake Internal Shari'ah audit and monitor compliance of the Company with the Fatwas and opinions of the Internal Shari'ah Supervision Committee. Such division or section shall be report to the Board of Directors of the Company, and its employees shall not have any executive powers or any responsibilities towards the businesses, activities and contracts which they review or audit from Shari'ah perspective. The Said division/section shall be headed by a Shari'ah controller appointed by the Board of Directors of the Company.
<b>Article (6)</b>		<b>Article (6)</b>
All the shares of the Company are nominal shares, and subject to any laws or regulations issued by the Relevant Competent Authorities concerning the ownership of commercial banks, the proportion of the ownership of UAE nationals shall not, at any time during the existence of the Company, fall below 51 (fifty one) percent of the capital.	Amending the percentage of ownership of UAE Nationals	All the shares of the Company are nominal shares, and subject to any laws or regulations issued by the Relevant Competent Authorities concerning the ownership of commercial banks, the proportion of the ownership of UAE nationals shall not, at any time during the existence of the Company, <b><u>fall below 60 (sixty) percent of the capital.</u></b>
<b>Article 24(1)</b>		<b>Article 24(1)</b>
The management of the Company shall vest in a Board of Directors comprised of nine (9) members, elected by the General Assembly by secret Cumulative Voting, subject to the approval of the Relevant Competent Authorities and in	Amending the Article and adding new paragraph.	The management of the Company shall vest in a Board of Directors comprised of a number of members <b><u>not less than seven and no more than eleven members</u></b> elected by the General Assembly by secret Cumulative Voting, subject to the approvals of the Relevant Competent Authorities and in accordance with the



accordance with the applicable conditions and standards set out by the Relevant Competent Authorities		applicable conditions and standards set out by the Relevant Competent Authorities. <b><u>All members of the Board of Directors shall be a Non-Executive Member of the Board, of which at least one third must be independent members. The chair shall be a non-executive member of the board of directors or an Independent Member of the Board of directors. The Board of Directors should not contain any executive members with management responsibilities in the Company.</u></b>
<b>Article 24(2)</b>		<b>Article 24(2)</b>
The majority of the directors must be UAE nationals.	Adding new Paragraph	The majority of the directors must be UAE nationals. <b><u>At least twenty percent (20%) of candidates for consideration for the Board of Directors' membership shall be females.</u></b>
<b>Article (28)</b>		<b>Article (28)</b>
The Board of Directors may appoint <i>from amongst</i> its members or others a chief executive officer, a managing director or general manager of the Company, the Board should specify his/their authorities and remunerations.	Adding “from other than its members” replacing “ <i>from amongst</i> ”	The Board of Directors may appoint, <b><u>from other than its members</u></b> , a chief executive officer, a managing director or general manager of the Company, the Board should specify his/their authorities and remunerations.
<b>Article (29)</b>		<b>Article (29)</b>



<p>The Board of Directors shall form the permanent committees and systems required under the applicable laws and regulations issued by the Relevant competent Authorities, such as the audit committee, the follow up and remuneration committee and the internal control system. The Board may as well establish any specialized committee to monitor or study or implement any matters as it deems suitable.</p> <p>Procedures for forming such committees shall be laid down by the Board of Directors, including mission, term of office, powers and method used by the Board of Directors to monitor such committees. A committee shall submit a written report to the Board specifying with absolute transparency its actions, findings and recommendations. A regular follow up of the committees shall be ensured by the Board of Directors to verify their adherence to their assignments.</p>	<p>Adding a paragraph to the Article</p>	<p>The Board of Directors shall form the permanent committees and systems required under the applicable laws and regulations issued by the Relevant competent Authorities, such as the audit committee, the follow up and remuneration committee, risk committee, nomination committee, and allocations committee and the internal control system. <b><u>In all events, the audit and risk committees shall not merge with any other committees of the Board of Directors. The Board may as well establish any specialized committee to monitor or study or implement any matters as it deems suitable.</u></b></p> <p>Procedures for forming such committees shall be laid down by the Board of Directors, including mission, term of office, powers and method used by the Board of Directors to monitor such committees. A committee shall submit a written report to the Board specifying with absolute transparency its actions, findings and recommendations. A regular follow up of the committees shall be ensured by the Board of Directors to verify their adherence to their assignments.</p>
<p><b>Article (32)</b></p>		<p><b>Article (32)</b></p>
<p>The Board of Directors shall hold its meetings at the principal office of the Company or at such other place as shall be determined by the Board whenever the need arises for a meeting to be convened, at the invitation of the chairman or at the</p>	<p>Adding a sentence to the paragraph</p>	<p>The Board of Directors shall hold its meetings at the principal office of the Company or at such other place as shall be determined by the Board whenever the need arises for a meeting to be convened, at the invitation of the chairman or at the request of two directors. The Board of Directors shall meet at least once</p>



request of two directors. The Board of Directors shall meet at least once every 2 (two) months.		every 2 (two) months. <b><u>In all events, the Board of Directors shall hold a minimum of six (6) meetings, at least, per year.</u></b>
<b>Article (42)</b>		<b>Article (42)</b>
Notices of General Assemblies shall be given to shareholders, after obtaining the Relevant Competent Authorities ' approval, by publishing a notice of the meeting and the agenda in two (2) daily local newspapers, one of which is published in the Arabic language, and by registered mail to each shareholder (and, in the case of the annual General Assembly, together with the Board's report and auditor's report), of which notice shall be given at least (15) fifteen days before the date specified for holding the meeting. A copy of the notice and agenda of the same shall also be sent to the Relevant Competent Authorities within the same time frame.	Adding a sentence to the paragraph	Notices of General Assemblies shall be given to shareholders, after obtaining the Relevant Competent Authorities ' approval, by publishing a notice of the meeting and the agenda in two (2) daily local newspapers, one of which is published in the Arabic language. Invitations to all shareholders may be sent by registered mail, SMS, emails or any other mean of modern technology, which notice shall be given at least (15) fifteen days before the date specified for holding the meeting. A copy of the notice and agenda of the same shall also be sent to the Relevant Competent Authorities within the same time frame
<b>Article (43)</b>		<b>Article (43)</b>
	Adding a new paragraph 43(3)	In all events, all shareholders shall be provided equal opportunities to participate effectively in the deliberations of the general assembly meetings and vote on its resolutions. Shareholders shall have the right to discuss and raise questions regarding the agenda items to the Board of Directors and the auditor, and the Board of Directors or the auditor shall answer





		such questions to the extent that the interests of the Company are not compromised.
<b>Article (47)</b>		<b>Article (47)</b>
Voting at a General Assembly shall be carried out in such manner as the chairman of the meeting shall determine unless the General Assembly has fixed a specific method of voting. The voting, if it relates to the election, dismissal or impeachment of the Board of Directors, shall be conducted in secret ballot.	Adding a sentence to the Article Electronic voting	Voting at a General Assembly shall be carried out in such manner as the chairman of the meeting shall determine unless the General Assembly has fixed a specific method of voting. <b><u>The shareholders may also vote electronically in accordance with the terms and conditions set out under the Law and rules regulating it.</u></b>  <b><u>In all events,</u></b> the voting, if it relates to the election, dismissal or impeachment of the Board of Directors, shall be conducted in secret ballot
<b>Article 55(1)</b>		<b>Article 55(1)</b>
The Company shall have one or more qualified and experienced auditors to be appointed by the General Assembly for a period of one year which may be renewed for a term not exceeding three consecutive years, which meeting shall also determine its remuneration. The auditor shall audit the accounts for the financial year for which it is appointed and shall inspect the accounts of the Company, review the balance sheet and the	Amending the Article	The Company shall have one or more qualified and experienced auditors to be appointed by the General Assembly for a period of one year which may be renewed for <b><u>a term not exceeding six consecutive years,</u></b> which meeting shall also determine its remuneration. <b><u>The Company must rotate the auditor's partner in charge of the audit every three years.</u></b> The auditor shall audit the accounts for the financial year for which it is appointed and



profit and loss account and shall ensure the application of the applicable laws and regulations and these Articles.		shall inspect the accounts of the Company, review the balance sheet and the profit and loss account and shall ensure the application of the applicable laws and regulations and these Articles.